



## TEXAS DEPARTMENT OF INSURANCE

### Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

## MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

### GENERAL INFORMATION

**Requestor Name**

Baylor Medical Center at Trophy Club

**Respondent Name**

TX Assoc of Counties RMP

**MFDR Tracking Number**

M4-16-3331-01

**Carrier's Austin Representative**

Box Number 01

**MFDR Date Received**

June 30, 2016

### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "Our office contends that the denial that our medical billing was submitted in error as outpatient is incorrect. No orders for inpatient admission were present and the time frame for observation did not warrant inpatient admission."

**Amount in Dispute:** \$27,412.16

### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "Carrier's position is that it has properly audited and processed the bill in dispute, as it should have been billed as an inpatient bill, but was not."

**Response Submitted by:** Parker & Associates, L.L.C.

### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 18 – 19, 2016	Outpatient Hospital Services	\$27,412.16	\$0.00

### FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

**Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for services performed in an

outpatient hospital setting.

3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 16 – Claim/service lacks information which is needed for adjudication. Remark codes whenever appropriate. Documentation shows observation room exceeds 24 hours and billing needs to be submitted as an inpatient
  - 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly

The services in dispute are for outpatient hospital services and are therefore subject to the requirements of 28 Texas Administrative Code 134.403 (d) which states in pertinent part, “For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided...” The applicable Medicare payment policy may be found at [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS).

In order to calculate the correct Division fee guideline, stakeholders should be familiar with the main components in the calculation of the Medicare payment for OPPOS services which are:

1. **Payment status indicator** - The status indicator identifies whether the service described by the HCPCS code is paid under the OPPOS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPOS or under another payment system or fee schedule. The relevant status indicator may be found at the following: [www.cms.gov](http://www.cms.gov), Hospital Outpatient Prospective Payment – Final Rule, OPPOS Addenda, Addendum D1

## **Issues**

1. Are the insurance carrier’s reasons for denial or reduction of payment supported?
2. Is the requestor entitled to additional reimbursement?

## **Findings**

1. The insurance carrier denied disputed services with claim adjustment reason code 16 – “Claim/service lacks information which is needed for adjudication.” 28 Texas Administrative Code §134.403 (b)(3) states in pertinent part,

Definitions for words and terms, when used in this section, shall have the following meanings, unless clearly indicated otherwise.

"Medicare payment policy" means reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare.

Review of the submitted codes 22850 and 22852 are found to have a Status Indicator of “C” or “Not paid under OPPOS. Admit patient. Bill as inpatient.” The Medicare Payment Policy found at [www.cms.hhs.gov](http://www.cms.hhs.gov), Chapter 4, Section 180.7 – Inpatient-Only Services states in pertinent part,

*Section 1833(t)(1)(B)(i) of the Act allows CMS to define the services for which payment under the OPPOS is appropriate and the Secretary has determined that the services designated to be “inpatient only” services are not appropriate to be furnished in a hospital outpatient department. “Inpatient only” services are generally, but not always, surgical services that require inpatient care because of the nature of the procedure, the typical underlying physical condition of patients who require the service, or the need for at least 24 hours of postoperative recovery time or monitoring before the patient can be safely discharged... There is no payment under the OPPOS for services that CMS designates to be “inpatient-only” services. These services have an OPPOS status indicator of “C” in the OPPOS Addendum B and are listed together in Addendum E of each year’s OPPOS/ASC final rule. ...CMS does not pay for an “inpatient-only” service furnished to a person who is registered in the hospital as an outpatient and reports the service on the outpatient hospital bill type (TOB 13X). CMS also **does not pay for all other services on the same day as the “inpatient only” procedure.***

Pursuant to the provisions of Rule 134.403(b), the carrier's denial is supported.

2. The Division finds the services in dispute did not meet the requirements of applicable Rule 134.403(d). No additional payment is recommended.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

### ***ORDER***

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

### **Authorized Signature**

_____	_____	July 28, 2016
Signature	Medical Fee Dispute Resolution Officer	Date

### ***YOUR RIGHT TO APPEAL***

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**